



<u>Committee and date</u> Pensions Committee
20 June 2014
10.30am

<u>Item</u>
15
<u>Public</u>

PENSIONS ADMINISTRATION MONITORING REPORT

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1. Summary

- 1.1 The report provides Members with monitoring information on the performance of and issues affecting the Pensions Administration Team.

2. Recommendations

- 2.1 Members are asked to accept the position as set out in the report and;
- 2.2 Approve, with or without comment, the revised Administration Strategy, Appendix D and:
- 2.3 Approve, with or without comment the Communications Policy Appendix E.

REPORT

3. Risk Assessment and Opportunities Appraisal

- 3.1 **Risk Management**
Performance is considered and monitored to ensure regulatory timescales and key performance indicators are adhered to.
- 3.2 **Human Rights Act Appraisal**
The recommendations contained in this report are compatible with the Human Rights Act 1998.
- 3.3 **Environmental Appraisal**
There is no direct environmental, equalities or climate change consequence of this report.
- 3.4 **Financial Implications**
There are no direct financial implications arising from this report. Managing team performance and working with other Administering Authorities ensures costs to scheme employers for Scheme

Administration are reduced. However, it must be noted that the introduction of the 2014 LGPS and the increased governance being introduced by the Public Services Pension Act 2013 will increase the resources required by the administration team.

4. Performance and Team Update

- 4.1 The team’s output and performance levels to the end of May 2014 are attached at **Appendix A**.
- 4.2 Procedures outstanding at the end of the month has fallen since last reporting and has levelled out. The team continue to deal with requests for quotes for the Council where teams are being “restructured”. The Fund’s other largest employer is also undergoing a VR programme resulting in requests for quotes increasing. Encouragingly the procedures completed on time have gradually risen over the quarter.
- 4.3 Year end returns have been submitted by most employers’ for 2013/14 and the team are now working on updating records with contributions. Checks will be made across records to ensure they are accurately updated with a pay figure to 31 March 2014.
- 4.4 Due to the introduction of the new scheme on 1 April 2014, it has been identified that extra resources are needed in order to continue to deliver a high level of service. A revised structure has been introduced. This has created opportunities for current Team members with resulting vacancies now being recruited too. It is hoped that by July the team will be back to full capacity and able to move forward.

5. Help Desk Statistics

- 5.1 The following chart shows the number of queries received through the helpline number and the number of emails received by the generic Pensions email inbox.

	February 2014	March 2014	April 2014
Telephone calls answered	819	1007	865
Queries dealt with by helpdesk at first point of contact %*	91.33%	92.45%	94.68%
E-mails Received and responded by the helpdesk	315	306	306

* Where queries have not been dealt with by helpdesk, this will usually mean that the calls have been picked up by the rest of the team outside of the helpdesk.

6. Communications

- 6.1 Committee will be aware that a project was set up to produce a combined P60/Pensions Increase notification. The project is now complete with a combined P60, Payslip and details of April's Pension Increase successfully issued to all pensioners on 1 May 2014. This has been very well received with minimal queries to the helpdesk.
- 6.2 The Retired Members Meeting is to be held on 30 June 2014. This meeting format may be changed in the future. Feedback requested in the recent "InTouch" magazine on the future of the meeting included:
- "I'd really like to hear a presentation and debate between the "ethical investment" camp and the standard "duty to maximise" even if it is arms, tobacco, fossil fuels group".
 - "I am sure the fund account updates are useful and interesting to some. But I don't follow it and find it rather tedious. I would prefer other more interesting general topic speakers".
 - "I have been to most, if not all, of the annual meetings in November.
 - "I enjoy meeting up with former colleagues, as well as hearing updates on the Fund performance and any changes to the scheme".
 - "I do attend the Annual Meeting in November. This gives far more information on the financial aspects of the Scheme, including performance and projections for the future".
- 6.3 The new pension's website was launched on 1 April 2014. A dedicated secure employers' area is currently being worked on and will be available to employers shortly. Website statistics including the visited pages are now being monitored and will be available and reported to committee in September.
- 6.4 Pension Committee member training day is on 18th July 2014 and will be held again in the Hayden Smith room at the Theatre Severn in Shrewsbury.
- 6.5 A presentation on the new scheme was given to all employees at Shropshire Town & Rural Housing.
- 6.6 Annual Benefit Statements for active scheme members are currently planned for issue by September.
- 6.7 The Pension Fund logo has been updated to provide a fresh look. Pension fund letter headed paper and communications documents will

now feature the updated Fund logo and the logos issued by the LGA for the 2008 and 2014 scheme. (**See Appendix B**).

7. Local Government Pension Scheme 2014

- 7.1 As previously reported the new Local Government Pension Scheme Regulations 2013 came into force from 1 April 2014. This has moved the Scheme from a Final Salary to a CARE Benefit Scheme. It is still a defined Benefit Scheme though. The Transitional Regulations were laid before Parliament just in time for the 1 April 2014 launch date. However, due to the lateness certain factors required from the Government Actuaries Department were much later than expected and our Systems Provider are having to do “patch releases” to correct the calculations within the Pension Administration Software. This has resulted in some manual calculations having to be done by the Team.
- 7.2 Under the Disclosure Regulations, all active members were required to be notified of their transfer into the new scheme within three months of 31 March 2014. The notification was required to include the scheme changes. This has been complied with by sending a personalised newsletter to home addresses before the end of April. (**Appendix C**).
- 7.3 A training session for employers on discretions took place on 25 April 2014 where 19 employers were represented along with a colleague from Greater Manchester Pension Fund who is part of the joint communications group. The training was delivered by Tim Hazelwood and was very well received and each attendee received a comprehensive set of notes.
- 7.4 The Local Government Association (LGA) has developed a modeller to assist employers, funds and fund employees in the calculation of the cost of Additional Pension Contributions and Shared Cost Additional Pension Contributions. The modeller is available at www.shropshirecountypensionfund.co.uk
- 7.5 The project group set up to implement the 2014 Scheme is now ensuring all documentation and processes are updated.
- 7.6 The Pensions Communication Officer is part of the LGA national Communications Working Group. The group meets quarterly and has fed into the projects into the run up to 1 April 2014, this group will continue to meet post April 2014.

8. Pensions Administration Strategy

- 8.1 The Local Government Pension Scheme Regulations 2013 enables the Pension Fund Administering Authorities to publish a strategy for the sole purpose of improving the processes with their Fund.

- 8.2 The Shropshire County Pension Fund introduced its Strategy in June 2012 and its latest version was approved at committee in June 2013. The Administration Strategy Statement has been updated to take account of changes in legislation from the introduction of the new LGPS on 1 April 2014 and other relevant legislation. Fund Employers have been consulted on the changes. The revised Statement is attached at **Appendix D.**
- 8.3 Following committee approval this document will be issued to all employers and published on the website.

9. Communications Policy

- 9.1 The Local Government Pension Scheme Regulations 2013 states that an administering authority must prepare, maintain and publish a written statement setting out its policy concerning communications with members, representatives of members, prospective members and scheme employers.
- 9.2 The Communications Policy has been recently updated to take account of changes in legislation from the introduction of the new LGPS Regulations and other relevant legislation. Fund Employers have been consulted on the changes. The revised Statement is attached at **Appendix E.**
- 9.3 Following committee approval this document will be issued to all employers and published on the website.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Pensions Committee Meeting 20 March 2014 Pensions Administration Report

Cabinet Member (Portfolio Holder)

NA

Local Member

NA

Appendices

Appendix A – Performance Monitoring
Appendix B – New Letterhead
Appendix C – Newsletter
Appendix D - Administration Strategy
Appendix E - Communications Policy